

ASX Release

Thursday 19 July 2018

ASX: ACB

WITHDRAWAL OF NON-RENOUNCEABLE RIGHTS ISSUE

Following a resolution of the board of directors, A-Cap Resources Limited (**the Company**) advises that it has withdrawn the Non-Renounceable Rights Issue (**Offer**) that was announced on 30 April 2018. The fully underwritten Offer was to raise approximately A\$4 million by way of an issue of 66,657,864 new ordinary shares to shareholders on the basis of 1 new share for every 13.08 shares held. The closing date of the Offer was Tuesday 24 July 2018.

The funds raised by the Company under the Offer were going to be used for, among other things, project optimisation work for the Company's Letlhakane Uranium Project, updating mine plan and pit optimisations, progressing the Company's new energy strategy which includes exploration work programmes on nickel-cobalt mineral deposits and additional working capital.

All funds received to date from shareholders in respect of the Offer will be refunded as soon as practicable. No new shares will be issued under the Offer.

The Offer is withdrawn because the Board has been informed by Jiangsu Shengan Resources Group Co., Ltd (**Underwriter**) that the Underwriter is unable to meet its obligations under the Underwriting Agreement because it will not be issued a Certificate of Overseas Investment by the closing date of the Offer.

The Underwriter applied for a Certificate of Overseas Investment to the Commercial Bureau of Yancheng, China in April 2018 in response to a notice from the Bureau that a new Certificate of Investment be issued to the Underwriter following a change of its company name from Jiangsu Chixiang Precision Gears Co., Ltd to Jiangsu Shengan Resources Group Co., Ltd.

The Certificate of Overseas Investment is required by the Underwriter to transfer investment funds from China to the Company to meet its Underwriter obligations for the shortfall amount under the terms of the Underwriter Agreement. Due to a delay in the processing of its application by the Commercial Bureau of Yancheng, China, the Underwriter will not be issued a Certificate of Overseas Investment by the closing date of the Offer.

The Company is considering its capital raising options and will apprise shareholders of further developments in due course.

The cancellation of the Offer will have no impact on the Company's diversified minerals strategy. The Company's strategy remains to target cobalt opportunities on a global basis and become a supplier of cathode materials to the battery industry. China is committed to become one of the world leaders in clean energy storage technology and, the Company believes there is an increasing requirement for sound cobalt resources which will provide the Company with a clear path for future resource development.

For further information, please contact Nicholas Yeak on +61 (8) 9467 2612, email info@a-cap.com.au.

For and on behalf of the board of
A-Cap Resources Limited



NICHOLAS YEAK
Company Secretary

For personal use only